

SECOND PUBLIC
ANNUAL REPORT
OF
MARSHALL FIELD & COMPANY
AND SUBSIDIARIES

YEAR ENDED DECEMBER 31, 1931

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SECOND PUBLIC
ANNUAL REPORT
OF
MARSHALL FIELD & COMPANY
AND SUBSIDIARIES

YEAR ENDED DECEMBER 31

1931

TO BE SUBMITTED TO STOCKHOLDERS AT
THE ANNUAL MEETING TO BE HELD IN
CHICAGO, ILLINOIS, TUESDAY, MARCH 15, 1932



CHICAGO, ILLINOIS, U. S. A.

BOARD OF DIRECTORS

JAMES SIMPSON, *Chairman*

STANLEY FIELD

DAVID M. YATES

MARSHALL FIELD

JOHN P. WILSON

JOHN McKINLAY

CHARLES H. SCHWEPPE

THOMAS H. EDDY

JAMES SIMPSON, JR.

OFFICERS

JAMES SIMPSON, *Chairman of the Board*

JOHN McKINLAY, *President*

Vice-Presidents

DAVID M. YATES

WILLIAM G. BURT

FREDERICK D. CORLEY

GEORGE W. YOUNG

Secretary-Treasurer

THOMAS H. EDDY

KENNETH E. ARMSTRONG, *Assistant Treasurer*

RALPH H. PIERCE, *Assistant Secretary*

TO OUR STOCKHOLDERS



The results of our operations for 1931 proved no exception to those of most corporations throughout the country.

The greatly reduced purchasing power of consumers, together with continuously declining prices of commodities, explain the result.

Our expenses were substantially reduced, but could not be reduced in the same ratio as the dollar volume of business diminished. Too drastic a reduction of expenses would carry with it a desertion of standards of service to our customers, which we do not deem wise.

Fortunately we are not compelled to take a short-sighted view.

We closed the year with cash and marketable securities at market value December 31, 1931, of \$16,451,906.43; our merchandise inventories are \$9,324,000.00 less than a year ago; and our ratio of current assets to current liabilities is 7.13 to 1.

We have set up adequate reserves on accounts receivable and extra reserves on merchandise inventories; while from fixed assets we have taken depreciations of \$2,095,841.00, being \$534,400.00 more than in 1930.

While the year did not offer the opportunity we had hoped for in renting space in the Merchandise Mart, we can report that, including the housing of our wholesale business, the building is 82% occupied.

It will interest stockholders, who are no doubt increasingly aware of the crushing weight of taxes upon every business enterprise, to know that included in the cost of our sales are accruals covering taxes to State and local governments amounting to \$3,136,000.00, or approximately 3% of sales. This figure does not include customs duties or income taxes imposed by the Federal or State governments.

We take this opportunity of testifying to the wonderful esprit de corps of our organization in these very difficult times, your officers leading the way in substantially reducing their own salaries.

JOHN McKINLAY

President

MARSHALL FIELD & COMPANY

CONSOLIDATED BALANCE SHEET

ASSETS

CURRENT ASSETS:

Cash - - - - -	\$ 5,205,054.20	
United States Government Securities - -	\$ 5,401,632.20	
Marketable Securities (including \$1,021,000 par value Tax Warrants in addition to warrants applied per contra—at market) - - - -	5,845,220.03	11,246,852.23 \$ 16,451,906.43
All above securities at cost or market, whichever is lower, at December 31, 1931.		
Receivables—		
Customers' accounts and notes - - -	15,298,263.38	
Sundry accounts and notes - - - -	1,045,252.51	
	16,343,515.89	
Less reserves for bad debts and trade discounts - - - - -	1,801,145.76	14,542,370.13
Merchandise Inventories (valued at lower of cost or market) - - - - -		23,798,324.16
TOTAL CURRENT ASSETS -		\$ 54,792,600.72
PREPAID EXPENSES AND DEFERRED CHARGES - - - - -		892,673.73
OTHER ASSETS:		
Stockholders' Accounts, secured - - -	1,266,055.15	
Miscellaneous Investments - - - - -	193,945.01	1,460,000.16
FIXED ASSETS:		
Land, leaseholds, buildings, fixtures and equipment at cost - - - - -	75,185,221.50	
Less reserve for depreciation - - - -	20,603,240.63	54,581,980.87
GOODWILL, TRADE-MARKS, ETC. -		1.00
TOTAL ASSETS - - - - -		\$111,727,256.48

Contingent Liabilities under Letters of
The Century of Progress Bond

PANY AND SUBSIDIARIES

EET—DECEMBER 31, 1931

LIABILITIES AND NET WORTH

CURRENT LIABILITIES:

Trade Accounts Payable - - - - -	\$ 1,383,846.41	
Accrued Salaries, Wages and Expenses -	1,620,001.00	
Accrued Property and Federal Income Taxes (less \$1,424,000 tax anticipation war- rants held thereagainst) - - - - -	3,978,946.11	
First Mortgage Bonds due within year -	<u>700,000.00</u>	
TOTAL CURRENT LIABILITIES		\$ 7,682,793.52

FUNDED DEBT:

4½% Debenture Gold Bonds maturing serially Jan. 1, 1934 to Jan. 1, 1946— less in Treasury - - - - -	11,608,600.00	
5% First Mortgage Serial Gold Bonds ma- turing June 1, 1933 to June 1, 1949 -	<u>17,300,000.00</u>	28,908,600.00
RESERVE FOR CONTINGENCIES, ETC.		3,428,546.45
MINORITY INTERESTS IN SUBSIDI- ARIES - - - - -		875,620.00

NET WORTH:

Preferred Stock—7% Cumulative—Au- thorized 400,000 shares (par value \$100.00—Callable at \$120.00) Out- standing 296,395 shares - - - - -	\$ 29,639,500.00		
Common Stock—no par—Authorized 2,000,000 shares — Outstanding 1,399,987 shares - - - - -	<u>13,999,870.00</u>	43,639,370.00	
Paid In Surplus - - - - -	5,001,898.65		
Earned Surplus - - - - -	<u>22,190,427.86</u>	<u>27,192,326.51</u>	<u>70,831,696.51</u>
TOTAL LIABILITIES - - -			<u>\$111,727,256.48</u>

Credit (\$388,000.00) and guaranty of
bonds (\$100,000.00)

MARSHALL FIELD & COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDING DECEMBER 31, 1931

NET SALES TO CUSTOMERS	- - - - -		\$114,348,691.69
COST OF SALES AND OPERATING EXPENSES	-	\$116,613,483.60	
DEPRECIATION ON FIXED ASSETS	- - -	<u>2,095,841.30</u>	<u>118,709,324.90</u>
Net Loss from operations	- - - - -		\$ 4,360,633.21
OTHER INCOME:			
Interest received from notes, securities, etc.	- -	\$ 645,514.88	
Miscellaneous Income	- - - - -	<u>147,083.10</u>	<u>792,597.98</u>
Net Loss before other deductions	- - - - -		\$ 3,568,035.23
OTHER DEDUCTIONS:			
Interest paid	- - - - -	\$ 1,554,180.31	
Provision for Federal Income Taxes	- - - - -	<u>22,153.00</u>	<u>1,576,333.31</u>
Net Loss	- - - - -		<u><u>\$ 5,144,368.54</u></u>

CONSOLIDATED STATEMENT OF EARNED SURPLUS

Balance at December 31, 1930	- - - - -		\$ 32,915,061.84
Deduct:			
Net Loss for 1931	- - - - -	\$ 5,144,368.54	
Cash Dividends Paid:			
Preferred Stock	- - - -	\$ 2,080,277.50	
Common Stock	- - - -	<u>3,499,987.94</u>	<u>5,580,265.44</u>
			<u>10,724,633.98</u>
Balance at December 31, 1931	- - - - -		<u><u>\$ 22,190,427.86</u></u>

ARTHUR ANDERSEN & CO.

Accountants and Auditors

One La Salle Street Building
CHICAGO

MARSHALL FIELD & COMPANY
Chicago, Illinois.

We have examined the accounts of Marshall Field & Company (an Illinois corporation) and its principal retail store and mill subsidiaries, The Davis Company, Frederick & Nelson, The Carolina Cotton and Woolen Mills Company and Marshall Field Mills Corporation, for the year ended December 31, 1931, and have examined the financial statements of the remaining subsidiaries on file at the home office.

Inventories, certified by the management as to quantities and condition, are conservatively priced at the lower of cost or market.

We certify that, in our opinion, the accompanying consolidated statements fairly present the financial position of the companies at December 31, 1931, and the results of their operations for the year ended that date.

ARTHUR ANDERSEN & CO.

Chicago, Illinois,
February 17, 1932



